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TAGS: <u>EAID ECIN ECON EFIN EINT EINV ENRG EPET ETRD</u> SUBJECT: UPDATE ON INTERNATIONAL COMPACT WITH IRAQ

IMPLEMENTATION

REF: BAGHDAD 02947

Classified By: Economic Counselor Todd P. Schwartz for reasons 1.4 (b) and (d).

11. (C) The Iraqis have made additional progress in implementing the International Compact with Iraq (ICI) since post's in-depth reftel. ICI Secretariat head Ahmed Salman (Deputy Prime Minister Barham Salih's Chief of Staff (COS)) will be moving to the United States within the month, and the current deputy COS Sirwan Ibrahim will replace Ahmed. Emboffs have been working with Sirwan over the past several weeks and have found him to be forthcoming with detailed updates on ICI implementation and eager to invite Emboffs to observe ICI sector working group meetings. In addition, last week Dr. Barham hired a US-educated Kurd, Mohammed Qaradaghi, to work full-time on ICI implementation. Although Mohammed's day job is to work on the ICI with Sirwan, he did admit that because he lives in Dr. Barham's house--Mohammed's family resides in Sulaymaniyah--he also works as Dr. Barham's executive personal assistant in the evening. While these staff changes bode well for continued support from Dr. Barham's office for ICI implementation, the lack of any ICI Secretariat staff remains troublesome. The Iraqi Strategic

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Review Board (ISRB) did approve on September 20 the Terms of Reference (TOR) for the \$3.4 million EC-funded grant (administered through the International Reconstruction Fund Facility for Iraq's (IRFFI) UN trust fund) for four UN consultants to assist in setting up and supporting the ICI Secretariat in its first year. EC and UN officials in

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Baghdad have estimated it could take another 6-8 weeks to recruit and move the consultants to Baghdad.

 $\P2$ . (C) Sirwan now has the lead for setting up the ICI sector working groups, and already arranged for two to meet since assuming responsibility. On September 4 the Energy Sector Working Group met, but both attendees came from the Ministry Sirwan used the meeting to review the basic tenets of Oil. of the ICI and assured Emboffs he would arrange for more robust participation in future working groups from other ministries, in particular the Ministry of Electricity. On September 20 the Human Resources Development Working Group met with Directors General and officials from the Ministry of Planning, Ministry of Housing, Ministry of Education, Ministry of Human Rights, and the Supreme Board of Audits in attendance; and Deputy Prime Minister Salam al-Zubai's COS Dhia al-Zubai. This introductory meeting also focused on familiarizing officials with the ICI's human resources development goals. The group agreed to use future sessions to focus on determining the status of key initiatives and identifying areas that need donor funding to progress. Security Sector Reform and Rule of Law Working Groups have each met at least once, but Emboffs did not observe those

#### sessions.

13. (C) To prepare for Prime Minister Nuri al-Maliki's meeting with UNSG Ban Ki Moon on September 22, Dr. Barham's staff produced a joint ICI update with the UN. The 5-7 page document will summarize key accomplishments since the July 20 Mid-Year Progress Report on ICI Implementation. In a September 19 meeting with Emboffs, Ahmed also said he was in the process of drafting a MOU that would define the relationship and responsibilities between the ICI Secretariat, the IRFFI Secretariat, and the ISRB. This MOU

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likely will be the guide for channeling ICI donor contributions towards key priorities, and could lay the groundwork for combining the two Secretariats.

14. (C) COMMENT: The Iraqis clearly realized they needed to show progress for Maliki's September 22 meeting and called the ISRB meeting yesterday in order to get the TOR approved for the UN contractors. Post remains concerned about the lack of Iraqi staffing for the ICI Secretariat, that the ICI Secretariat has not been physically established, that leaders

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have not been confirmed for the sector working groups and that working group membership or action items have not yet been officially defined. However, the prompt replacement of Ahmed with Sirwan will give the international community in Baghdad continuity and Dr. Barham's hiring of Mohammed to work full-time on ICI implementation is a step in the right direction. END COMMENT. BUTENIS